

SENATE BILL No. 483

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10.2-4.

Synopsis: Public employees' retirement fund benefit computation. Provides that the multiplier to be used in calculating pension benefits under the public employees' retirement fund is the national average of the multipliers used in statewide public employee retirement funds located in states in which public employees are eligible for Social Security benefits.

Effective: July 1, 2001.

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January 22, 2001, read first time and referred to Committee on Pensions and Labor.

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First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

SENATE BILL No. 483

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-10.2-4-4, AS AMENDED BY P.L.195-1999,
2 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2001]: Sec. 4. (a) The computation of benefits under this
4 section is subject to IC 5-10.2-2-1.5.

5 (b) For retirement benefits payable on and after July 1, 1975, for a
6 member retired on and after January 1, 1956, the pension (p) is
7 computed as follows:

8 STEP ONE: Multiply ~~one and one-tenths percent (1.1%)~~ the
9 **applicable percentage (ap) determined under section 4.5 of**
10 **this chapter** times the average of the annual compensation (aac)
11 and obtain a product.

12 STEP TWO: To obtain the pension, multiply the STEP ONE
13 product by the total creditable service (scr) completed by the
14 member on his retirement date.

15 Expressed mathematically:

16 $p = \text{(~~0.11~~) (ap) times (aac) times (scr)}$

17 (c) Unless the member has chosen a lump sum payment under



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1 section 2 of this chapter or elects to defer receiving in any form the
2 member's annuity savings account under section 2(c) of this chapter,
3 the annuity is the amount purchasable on the member's retirement date
4 by the amount credited to the member in the annuity savings account.
5 The amount purchasable is based on actuarial tables adopted by the
6 board under IC 5-10.2-2-10 at an interest rate determined by the board.

7 SECTION 2. IC 5-10.2-4-4.5 IS ADDED TO THE INDIANA
8 CODE AS A NEW SECTION TO READ AS FOLLOWS
9 [EFFECTIVE JULY 1, 2001]: **Sec. 4.5. (a) For a member of the**
10 **Indiana state teachers' retirement fund, the applicable percentage**
11 **referred to in section 4(b) of this chapter is one and one-tenth**
12 **percent (1.1%).**

13 **(b) For a member of the public employees' retirement fund, the**
14 **applicable percentage referred to in section 4(b) of this chapter**
15 **shall be determined by the board of trustees of the public**
16 **employees' retirement fund. The board shall make this**
17 **determination for all members of the public employees' retirement**
18 **fund by computing the national average of the corresponding**
19 **percentages used by statewide public employee retirement funds**
20 **that:**

- 21 (1) provide a defined benefit calculated under a formula
22 similar to the formula set forth in section 4 of this chapter;
23 and
24 (2) are located in states in which public employees are eligible
25 for Social Security benefits.

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